

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6921

BILL NUMBER: HB 1247

DATE PREPARED: Dec 18, 1998

BILL AMENDED:

SUBJECT: County police officer COLAs.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill allows a county to provide cost of living payments to a retired or disabled county police officer who is less than 55 years of age if the county has funds for the additional payments.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: It is difficult to determine the impact of this bill because the impact will depend upon the extent that counties will lower the age to which COLAs may apply. As an illustration, however, the following estimates are presented demonstrating what the impact would be if three different counties who currently have COLAs that apply at age 55 were to begin applying COLAs at age 50.

Delaware County Police Retirement Plan

This plan provides COLAs beginning at age 55 and ceasing at Social Security retirement age (ages 65 through 67 depending on date of birth). The fiscal impact if this plan began COLAs at age 50 rather 55 would be as follows:

Increase in accrued liabilities	\$69,694
Increase in annual Funding	\$40,931
Increase in Annual Funding (% of payroll)	3.9%

Lake County Police Retirement Plan

This plan currently allows COLAs beginning at age 55 with the COLAs continuing until the original benefit amount is doubled. The fiscal impact if COLAs began at age 50 rather than age 55 is as follows:

Increase in Accrued Liabilities	\$3,761,249
Increase in Annual Funding	\$376,125
Increase in Annual Funding (% of payroll)	7.2%

LaPorte County Police Retirement Plan

This plan has COLAs that begin at age 55 and continue until the death of the participant. The fiscal impact on this retirement plan if the COLAs began at age 50 rather than 55 is as follows:

Increase in Accrued Liabilities	\$248,906
Increase in Annual Funding	\$32,081
Increase in Annual Funding (% of payroll)	2.1%

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties

Information Sources: Doug Todd of McCready and Keene, Inc., actuaries for many of the county police plans 576-1508.